

November 12, 2015

Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on Cap-and-Trade Auction Proceeds Second Investment Plan draft

Dear Chair Nichols and Air Resources Board Members:

We submit the following comments relating to the second Three-Year Investment Plan which will guide Greenhouse Gas Reduction Fund investment strategies from FY2016/17 through FY2018/19. We appreciate the significant efforts which ARB, the Department of Finance and member organizations of the Climate Action Team have put into creating such a comprehensive and thoughtful document and hope that our suggestions may further contribute to the plan's ability to meet the goals set forth in AB 32.

It is the responsibility of GGRF investment strategies to not only advance effective GHG-mitigation measures, but to also produce the greatest possible range of co-benefits and ensure the protection of California's most vulnerable populations from any unintended harms of funded development. Effectively prioritizing funding for projects most in the interests of DACs has been problematic. While individual program guidelines continue to include more language supporting robust co-benefits, authentic community engagement and proactive anti-displacement strategies, SB 535 funding has so far been allocated for investments that fail to emphasize equitable investments to the extent that community advocates hope to see.¹

If this trend continues, billions of dollars may be invested in DACs that ultimately may not be in the best interests of low-income residents and local businesses. Investments must emphasize carbon-reduction strategies that address critical issues of economic resilience, non-GHG pollutants and public health. We are of the opinion that the integrated projects approach first proposed by the California Senate Budget Committee and subsequently outlined in the Cap-and-Trade Auction Proceeds Second Investment Plan draft has great potential to promote more comprehensive strategies with the power to transform DACs and ensure that the primary beneficiaries of all GGRF investments are the most vulnerable members of our society.

¹ Advantaging Communities: Co-Benefits and Community Engagement in the Greenhouse Gas Reduction Fund, a report co-sponsored by the Liberty Hill Foundation, the UCLA Institute on Research for Labor and Employment and the UCLA Labor Center, provides a detailed community perspective of how the GGRF may better address the needs of DACs. Available online at <http://www.libertyhill.org/news/reports/advantaging-communities-co-benefits-and-community-engagement-greenhouse-gas-reduction>

An integrated projects approach could address three issues that have greatly contributed to suboptimal DAC investments. First, there is a predominantly “siloed” approach to California Climate Investments that could be remedied by more flexible investment strategies. Programs by-and-large are focused either on energy efficiency, urban forestry, rail operations, waste diversion, freight infrastructure or other single issue objectives. The solutions needed to address the historic harms in environmental justice communities are unlikely to be found using such a fragmented approach.

The second issue impacting effective investments is the lack of accessibility of programs to local community-based organizations. The Strategic Growth Council’s Affordable Housing and Sustainable Communities program and CAL FIRE’s Urban and Community Forestry grants are the only two programs with widespread applicability in which nonprofit organizations may be primary applicants. However, the capital requirements of affordable housing development are beyond the capacity of most local nonprofits and the urban forestry program, which is the most oversubscribed grant due to its accessibility, is currently suspended pending the reconvening of the State legislature which may award the forestry program to another agency entirely.

Further confounding the meaningful participation of community-based organizations is the third issue of transparency. Funding for high speed rail, low carbon freight and the transit operations and rail capital programs is only available to public agencies, many of which operate with little inclusion of public opinion. Ensuring community members and local organizations are informed and engaged in determining these agencies priorities should be a primary concern of the GGRF.

For these reasons, we strongly suggest that an integrated investment strategy is not only implemented, but that it is structured in such a way that local organizations may directly apply in a streamlined manner that will not strain the resources of many groups. While as the draft states, *“local governments with jurisdictions in these disadvantaged communities may be well positioned to identify projects that reduce GHG emissions to meet local needs and support community-wide transformation,”* it is often those in the nonprofit sector who are in the best position to convene and develop the most appropriate investment strategies in DACs.

California is home to a strong and diverse network of community and environmental justice advocacy groups which also includes many statewide and regional alliances, such as the California Environmental Justice Alliance, Asian-Pacific Environmental Network, Central California Environmental Justice Network, Bay Area Environmental Health Collaborative, and many others. To be most successful addressing the needs of DACs, California Climate Investments should leverage the exceptional skills and local

knowledge across this network by ensuring that these organizations and broader alliances are also able to directly apply for integrated projects.

There are a multitude of shovel-ready projects that have innovative cross-cutting strategies to address GHG-reduction and many co-benefits. Additionally, these projects have been designed in collaboration with local residents and businesses possessing the necessary knowledge of what their communities need most. Participatory processes employed include design charrettes, groundtruthing, community self-assessments and leadership development.²

There are also broader neighborhood scale sustainability plans proposed across the state which focus on the reduction of existing impacts and the prevention of the toxic exposure faced by California's most vulnerable communities. Many of these plans not only address carbon-reduction strategies systemically, but also revitalize local economic opportunities, provide incentives for the adoption of greener business practices by industrial operations and reinvest in infrastructure that supports the local community.³

We thank you for the opportunity to comment and would look forward to a more in-depth discussion with CARB and other agency staff regarding these ideas.

Sincerely,

Alfred Carrillo, *Pastor*
Apostolic Faith Center

Dean S. Toji, *Co-Chair*
Asian Pacific Planning and Policy Council (A3PCON) Environmental Justice Committee

Amy Vanderwarker, *Co-Director*
California Environmental Justice Alliance

Drew Wood, *Executive Director*
California Kids IAQ

² Two examples of such projects would be Pacoima Beautiful's Pacoima Wash Vision Plan, which focuses on active transportation, urban greening and the capture and treatment of stormwater; and East Yard Communities for Environmental Justice's I-710 Freight Corridor Project, which incorporates the same elements as the Pacoima Wash plan along with expanded public transit and a zero-emissions freight corridor. More information on these programs may be found at <http://www.pacoimabeautiful.org/what-we-do/community-planning> and <http://eycej.org/campaigns/i-710/>

³ The Green Zone Initiative, led by the California Environmental Justice Alliance (CEJA), brings together several urban and rural pilot programs across California. Their report, Green Zones Across California: Transforming Toxic Hotspots into Healthy Hoods, is available at <http://caleja.org/what-we-do/greenzones/>

Jesse N. Marquez, *Executive Director*
Coalition for A Safe Environment

Bahram Fazeli, *Director of Research & Policy*
Communities for a Better Environment

Ricardo Pulido, *Executive Director*
Community Dreams

Gisele Fong, PhD, *Executive Director*
EndOil / Communities for Clean Ports

Stella Ursua, *President*
Green Education Inc.

Ben Russak, *Policy Analyst*
Liberty Hill Foundation

Veronica Padilla-Campos, *Executive Director*
Pacoima Beautiful

Cynthia Strathmann, *Executive Director*
Strategic Actions for a Just Economy (SAJE)

Laura Muraida, *Research Director*
Strategic Concepts in Organizing and Policy Education (SCOPE-LA)

Mary Creasman, *Director of Government Affairs*
Trust for Public Land

Sandra McNeill, *Executive Director*
T.R.U.S.T. South LA